

110TH CONGRESS
1ST SESSION

S. 1326

To amend title 38, United States Code, to improve and enhance compensation and pension, health care, housing, burial, and other benefits for veterans, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 8, 2007

Mr. SANDERS introduced the following bill; which was read twice and referred to the Committee on Veterans' Affairs

A BILL

To amend title 38, United States Code, to improve and enhance compensation and pension, health care, housing, burial, and other benefits for veterans, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

4 (a) SHORT TITLE.—This Act may be cited as the
5 “Comprehensive Veterans Benefits Improvements Act of
6 2007”.

7 (b) TABLE OF CONTENTS.—The table of contents for
8 this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—HEALTH CARE MATTERS

- Sec. 101. Enrollment of category 8 veterans in patient enrollment system.
- Sec. 102. Health care for veterans who are catastrophically disabled.
- Sec. 103. Repeal prior care requirement for eligibility for reimbursement for emergency treatment.
- Sec. 104. Pilot program on lung cancer screening for veterans.

TITLE II—COMPENSATION AND PENSION MATTERS

- Sec. 201. Repeal of prohibition on concurrent receipt of compensation or pension and retired or retirement pay.
- Sec. 202. Increase in certain rates of disability compensation.
- Sec. 203. Provisions relating to service-connected hearing loss.
- Sec. 204. Repeal of requirement of reduction of SBP survivor annuities by dependency and indemnity compensation.
- Sec. 205. Increase in rate of dependency and indemnity compensation for surviving spouses of members of the Armed Forces who die on active duty.
- Sec. 206. Reestablishment of age 55 as age of remarrying for retention of certain veterans survivor benefits for surviving spouses.
- Sec. 207. Commencement of period of payment of compensation for temporary total service-connected disability attributable to hospitalization or treatment.
- Sec. 208. Comptroller General report on adequacy of dependency and indemnity compensation to maintain survivors of veterans who die from service-connected disabilities.

TITLE III—INSURANCE MATTERS

- Sec. 301. Reduction in premiums under Service-Disabled Veterans Insurance program.

TITLE IV—BURIAL AND MEMORIAL MATTERS

- Sec. 401. Plot allowances.
- Sec. 402. Funeral and burial expenses.
- Sec. 403. Authorization of appropriations for State cemetery grants program for fiscal year 2008.

TITLE V—HOUSING MATTERS

- Sec. 501. Grants for specially adapted housing for veterans.
- Sec. 502. Veterans' mortgage life insurance.
- Sec. 503. Selected Reserves serving at least 1 year eligible for housing loans.
- Sec. 504. Housing loan fees adjusted to rates in effect before passage of Veterans Benefits Act of 2003.

TITLE VI—BENEFITS ADMINISTRATION

- Sec. 601. Judicial review.
- Sec. 602. Elimination of rounding down of certain cost-of-living adjustments.
- Sec. 603. Clinical Information Data Exchange Bureau.
- Sec. 604. Study and report on reforms to strengthen and accelerate the evaluation and processing of disability claims by the Departments of Veterans Affairs and Defense.

TITLE VII—OTHER BENEFITS MATTERS

Sec. 701. Automobile assistance allowance.

Sec. 702. Refund of individual contributions for educational assistance made by individuals prevented from pursuing educational programs due to nature of discharge.

Sec. 703. Comptroller General report on provision of assisted living benefits for veterans.

TITLE I—HEALTH CARE MATTERS

SEC. 101. ENROLLMENT OF CATEGORY 8 VETERANS IN PATIENT ENROLLMENT SYSTEM.

(a) ENROLLMENT.—Notwithstanding any other provision of law, the Secretary of Veterans Affairs shall permit each veteran described in paragraph (8) of section 1705(a) of title 38, United States Code, who presents for enrollment in the system of annual patient enrollment required by such section to enroll in such system for purposes of the receipt of care and services as specified in such section.

(b) EFFECTIVE DATE.—This section shall take effect on October 1, 2007.

SEC. 102. HEALTH CARE FOR VETERANS WHO ARE CATASTROPHICALLY DISABLED.

(a) REPORT ON NUMBER OF VETERANS WRONGFULLY MISCLASSIFIED.—Not later than 120 days after the date of the enactment of this Act, the Secretary of Veterans Affairs shall submit to Congress a report setting forth the number of veterans who were catastrophically disabled who were wrongfully misclassified as not being

1 catastrophically disabled by reason and for the purposes
2 of the administration of the amendments made by title I
3 of the Veterans' Health Care Eligibility Reform Act of
4 1996 (Public Law 104–262).

5 (b) RECLASSIFICATION OF VETERANS WRONGFULLY
6 MISCLASSIFIED.—The Secretary shall reclassify as cata-
7 strophically disabled each veteran who was catastroph-
8 ically disabled but was misclassified as not being cata-
9 strophically disabled by reason and for the purposes of the
10 administration of the amendments made by title I of the
11 Veterans' Health Care Eligibility Reform Act of 1996.
12 Each veteran shall, upon such reclassification, be entitled
13 to such benefits under the laws administered by the Sec-
14 retary as any other veteran who is catastrophically dis-
15 abled, including priority of eligibility of enrollment as a
16 so-called “category 4 veteran” under the patient enroll-
17 ment system of the Department of Veterans Affairs under
18 section 1705 of title 38, United States Code.

19 (c) PROHIBITION ON COLLECTION OF COPAYMENTS
20 AND OTHER FEES FOR HOSPITAL OR NURSING HOME
21 CARE.—Section 1710 of title 38, United States Code, is
22 amended—

23 (1) by redesignating subsection (h) as sub-
24 section (i); and

1 (2) by inserting after subsection (g) the fol-
 2 lowing new subsection (h):

3 “(h) Notwithstanding any other provision of this sec-
 4 tion, a veteran who is catastrophically disabled shall not
 5 be required to make any payment otherwise required
 6 under subsection (f) or (g) for the receipt of hospital care
 7 or nursing home care under this section.”.

8 (d) EFFECTIVE DATE.—Subsection (b) and the
 9 amendments made by subsection (c) shall take effect on
 10 October 1, 2007.

11 **SEC. 103. REPEAL PRIOR CARE REQUIREMENT FOR ELIGI-**
 12 **BILITY FOR REIMBURSEMENT FOR EMER-**
 13 **GENCY TREATMENT.**

14 (a) REPEAL.—Section 1725(b)(2) of title 38, United
 15 States Code, is amended by striking “if—” and all that
 16 follows and inserting “if the veteran is enrolled in the sys-
 17 tem of patient enrollment established under section
 18 1705(a) of this title.”.

19 (b) EFFECTIVE DATE.—The amendment made by
 20 subsection (a) shall take effect on October 1, 2007.

21 **SEC. 104. PILOT PROGRAM ON LUNG CANCER SCREENING**
 22 **FOR VETERANS.**

23 (a) PILOT PROGRAM.—The Secretary of Veterans Af-
 24 fairs shall carry out a pilot program that provides for

1 screening for lung cancer of veterans with a high risk of
2 lung cancer.

3 (b) ELEMENTS.—

4 (1) IN GENERAL.—The pilot program under
5 subsection (a) shall include such programs and ac-
6 tivities as the Secretary considers appropriate to
7 permit the Secretary to make a comprehensive as-
8 sessment of the feasibility and advisability of various
9 approaches for expanding the program within the
10 Department of Veterans Affairs in order to conduct
11 screenings of veterans for lung cancer on a wider
12 scale.

13 (2) CONSULTATION.—The Secretary shall carry
14 out the pilot program in consultation with the Inter-
15 national Early Lung Cancer Action Program and
16 such other public and private entities as the Sec-
17 retary considers appropriate for purposes of the pilot
18 program.

19 (c) REPORT.—Not later than 2 years after the com-
20 mencement of the pilot program under subsection (a), the
21 Secretary shall submit to Congress a report on the pilot
22 program. The report shall include—

23 (1) a description of the programs and activities
24 under the pilot program;

1 (2) the comprehensive assessment of the Sec-
 2 retary described in subsection (b)(1);

3 (3) recommendations, if any, for legislation nec-
 4 essary to implement on a wider basis a screening
 5 program for lung cancer of veterans; and

6 (4) such other matters as the Secretary con-
 7 siders appropriate in light of the pilot program.

8 (d) AUTHORIZATION OF APPROPRIATIONS.—

9 (1) IN GENERAL.—There is hereby authorized
 10 to be appropriated for the Department of Veterans
 11 Affairs for fiscal year 2008, \$3,000,000 to carry out
 12 this section.

13 (2) AVAILABILITY.—The amount authorized to
 14 be appropriated by paragraph (1) shall remain avail-
 15 able until expended.

16 **TITLE II—COMPENSATION AND** 17 **PENSION MATTERS**

18 **SEC. 201. REPEAL OF PROHIBITION ON CONCURRENT RE-** 19 **CEIPT OF COMPENSATION OR PENSION AND** 20 **RETIRED OR RETIREMENT PAY.**

21 (a) REPEAL.—

22 (1) IN GENERAL.—Section 5304(a) of title 38,
 23 United States Code, is amended to read as follows:

24 “(a)(1)(A) If an election is in effect under section
 25 1413a of title 10, United States Code, with respect to any

1 person, no pension or compensation under this title shall
 2 be made concurrently to the person based on the person's
 3 own service or concurrently to the person based on the
 4 service of any other person. This subparagraph shall not
 5 apply to the extent the person waives any applicable re-
 6 tired or retirement pay under subparagraph (B).

7 “(B) A person to whom subparagraph (A) applies
 8 who is receiving any applicable retired or retirement pay
 9 may file with the department paying such pay a waiver
 10 of so much of such pay as is equal to the amount of the
 11 pension or compensation to which subparagraph (A) oth-
 12 erwise applies. To prevent duplication of payment, the de-
 13 partment with which any such waiver is filed shall notify
 14 the Secretary of the receipt of such waiver, the amount
 15 waived, and the effective date of the reduction in pay.

16 “(2) The annual amount of any applicable retired or
 17 retirement pay shall be counted as annual income for pur-
 18 poses of chapter 15 of this title.

19 “(3) In this subsection, the term ‘applicable retired
 20 or retirement pay’ means retired or retirement pay paid
 21 under a provision of law providing retired or retirement
 22 pay to persons in the Armed Forces or to commissioned
 23 officers of the National Oceanic and Atmospheric Admin-
 24 istration or of the Public Health Service.”.

25 (2) CLERICAL AMENDMENTS.—

(A) The heading for section 5304 of such title is amended by striking “**Prohibition against**” and inserting “**Provisions relating to**”.

(B) The item relating to section 5304 in the table of sections at the beginning of chapter 53 of such title is amended by striking “Prohibition against” and inserting “Provisions relating to”.

(b) CONFORMING REPEALS.—

(1) IN GENERAL.—Section 5305 of title 38, United States Code, and section 1414 of title 10, United States Code, are each repealed.

(2) CLERICAL AMENDMENTS.—

(A) The table of sections at the beginning of chapter 53 of title 38, United States Code, is amended by striking the item relating to section 5305.

(B) The table of sections at the beginning of chapter 71 of title 10, United States Code, is amended by striking the item relating to section 1414.

(c) CONFORMING AMENDMENTS TO COMBAT-RELATED SPECIAL COMPENSATION.—

1 (1) COMPENSATION ONLY AVAILABLE TO EXIST-
 2 ING CLAIMANTS.—Section 1413a of title 10, United
 3 States Code, is amended by adding at the end the
 4 following new subsection:

5 “(j) SECTION ONLY TO APPLY TO RETIREES IN PAY-
 6 MENT STATUS ON OCTOBER 1, 2007.—No payment under
 7 this section shall be made to an eligible combat-related dis-
 8 abled uniform services retiree for any month beginning
 9 after September 30, 2007, unless the retiree has an elec-
 10 tion in effect under this section for all months during the
 11 period beginning on October 1, 2007, and ending on the
 12 last day of the month to which the payment relates.”.

13 (2) CLERICAL AMENDMENTS.—

14 (A) Subsection (f) of such section is
 15 amended to read as follows:

16 “(f) REVOCATION OF ELECTION.—The Secretary
 17 concerned shall provide for an annual period (referred to
 18 as an ‘open season’) during which a person with an elec-
 19 tion in effect under subsection (a) shall have the right to
 20 revoke such election. Any such election shall be made
 21 under regulations prescribed by the Secretary concerned
 22 and, once made, shall be irrevocable. Such regulations
 23 shall provide for the form and manner for making such
 24 an election and shall provide for the date as of when such
 25 an election shall become effective. In the case of the Sec-

1 retary of a military department, such regulations shall be
2 subject to approval by the Secretary of Defense.”.

3 (B) Subsection (b)(2) of such section is
4 amended by striking “sections 5304 and 5305
5 of title 38” and inserting “section 5304(a)(1)
6 of title 38”.

7 (d) OTHER CONFORMING AMENDMENTS.—

8 (1) Section 5111(b) of title 38, United States
9 Code is amended to read as follows:

10 “(b) During the period between the effective date of
11 an award or increased award as provided under section
12 5110 of this title or other provision of law and the com-
13 mencement of the period of payment based on such award
14 as provided under subsection (a) of this section, an indi-
15 vidual entitled to receive monetary benefits shall be
16 deemed to be in receipt of such benefits for the purpose
17 of all laws administered by the Secretary.”.

18 (2) Sections 1463(a)(1), 1465(c)(1)(A),
19 1465(c)(1)(B), and 1466(b)(1)(D) of title 10,
20 United States Code, are each amended by striking
21 “or 1414”.

22 (3) Subparagraphs (A) and (B) of section
23 1465(c)(4) of title 10, United States Code, are each
24 amended by striking “sections 1413a and 1414” and
25 inserting “section 1413a”.

1 (e) EFFECTIVE DATE.—The amendments made by
 2 this section shall take effect on October 1, 2007, and shall
 3 apply with respect to payments of compensation or pen-
 4 sion and retired or retirement pay made on or after that
 5 date. No benefits are payable by reason of the amend-
 6 ments made by this section for any period before October
 7 1, 2007.

8 **SEC. 202. INCREASE IN CERTAIN RATES OF DISABILITY**
 9 **COMPENSATION.**

10 (a) FIFTY PERCENT INCREASE IN CERTAIN
 11 RATES.—Subsection (k) of section 1114 of title 38,
 12 United States Code, is amended—

13 (1) by striking “\$3,075” and inserting
 14 “\$4,613”;

15 (2) by striking “\$89” both places it appears
 16 and inserting “\$134”; and

17 (3) by striking “\$4,313” and inserting
 18 “\$6,470”.

19 (b) TWENTY PERCENT INCREASE IN CERTAIN
 20 OTHER RATES.—Such section is further amended—

21 (1) in subsection (l), by striking “\$3,075” and
 22 inserting “\$3,690”;

23 (2) in subsection (m), by striking “\$3,392” and
 24 inserting “\$4,070”;

1 (3) in subsection (n), by striking “\$3,860” and
 2 inserting “\$4,632”;

3 (4) in subsection (o), by striking “\$4,313” and
 4 inserting “\$5,176”;

5 (5) in subsection (p), by striking “\$4,313” each
 6 place it appears and inserting “\$5,176”;

7 (6) in subsection (r)—

8 (A) in paragraph (1), by striking “\$1,851”
 9 and inserting “\$2,221”; and

10 (B) in paragraph (2) by striking “\$2,757”
 11 and inserting “\$3,308”; and

12 (7) in subsection (s), by striking “\$2,766” and
 13 inserting “\$3,319”.

14 (c) EFFECTIVE DATE.—The amendments made by
 15 this section shall take effect on the first day of the first
 16 month that begins on or after the date of the enactment
 17 of this Act, and shall apply with respect to monthly
 18 amounts of disability compensation payable on or after
 19 that day.

20 **SEC. 203. PROVISIONS RELATING TO SERVICE-CONNECTED**
 21 **HEARING LOSS.**

22 (a) MINIMUM RATING OF DISABILITY FOR HEARING
 23 LOSS REQUIRING A HEARING AID.—Section 1155 of title
 24 38, United States Code, is amended by adding at the end
 25 the following new sentence: “The minimum rating of dis-

1 ability under the schedule adopted under this section for
 2 a veteran for a disability consisting of hearing loss for
 3 which the wearing of a hearing aid or hearing aids is medi-
 4 cally indicated shall be a rating of 10 percent.”.

5 (b) PRESUMPTION THAT HEARING LOSS IS SERVICE
 6 CONNECTED.—Section 1112 of title 38, United States
 7 Code, is amended by adding at the end the following new
 8 subsection:

9 “(d) For purposes of section 1110 of this title, and
 10 subject to section 1113 of this title, if tinnitus or hearing
 11 loss typically related to noise exposure or acoustic trauma
 12 becomes manifest in a veteran who, during military serv-
 13 ice, performed duties typically involving high levels of
 14 noise exposure, the tinnitus or hearing loss shall be consid-
 15 ered to have been incurred in or aggravated by such serv-
 16 ice, notwithstanding that there is no record of the disease
 17 during the period of service.”.

18 (c) EFFECTIVE DATE.—The amendments made by
 19 this section shall take effect on October 1, 2007. No ben-
 20 efit is payable by reason of the amendments made by this
 21 section for any period before October 1, 2007.

22 **SEC. 204. REPEAL OF REQUIREMENT OF REDUCTION OF**
 23 **SBP SURVIVOR ANNUITIES BY DEPENDENCY**
 24 **AND INDEMNITY COMPENSATION.**

25 (a) REPEAL.—

1 (1) IN GENERAL.—Subchapter II of chapter 73
 2 of title 10, United States Code, is amended as fol-
 3 lows:

4 (A) In section 1450, by striking subsection
 5 (c).

6 (B) In section 1451(c)—
 7 (i) by striking paragraph (2); and
 8 (ii) by redesignating paragraphs (3)
 9 and (4) as paragraphs (2) and (3), respec-
 10 tively.

11 (2) CONFORMING AMENDMENTS.—Such sub-
 12 chapter is further amended as follows:

13 (A) In section 1450—

14 (i) by striking subsection (e); and
 15 (ii) by striking subsection (k).

16 (B) In section 1451(g)(1), by striking sub-
 17 paragraph (C).

18 (C) In section 1452—

19 (i) in subsection (f)(2), by striking
 20 “does not apply—” and all that follows
 21 and inserting “does not apply in the case
 22 of a deduction made through administra-
 23 tive error.”; and

24 (ii) by striking subsection (g).

1 (D) In section 1455(c), by striking “,
2 1450(k)(2),”.

3 (b) PROHIBITION ON RETROACTIVE BENEFITS.—No
4 benefits may be paid to any person for any period before
5 the effective date provided under subsection (f) by reason
6 of the amendments made by subsection (a).

7 (c) PROHIBITION ON RECOUPMENT OF CERTAIN
8 AMOUNTS PREVIOUSLY REFUNDED TO SBP RECIPI-
9 ENTS.—A surviving spouse who is or has been in receipt
10 of an annuity under the Survivor Benefit Plan under sub-
11 chapter II of chapter 73 of title 10, United States Code,
12 that is in effect before the effective date provided under
13 subsection (f) and that is adjusted by reason of the
14 amendments made by subsection (a) and who has received
15 a refund of retired pay under section 1450(e) of title 10,
16 United States Code, shall not be required to repay such
17 refund to the United States.

18 (d) REPEAL OF AUTHORITY FOR OPTIONAL ANNUITY
19 FOR DEPENDENT CHILDREN.—Section 1448(d)(2) of
20 such title is amended—

21 (1) by striking “DEPENDENT CHILDREN.—”
22 and all that follows through “In the case of a mem-
23 ber described in paragraph (1),” and inserting “DE-
24 PENDENT CHILDREN.—In the case of a member de-
25 scribed in paragraph (1),”; and

1 (2) by striking subparagraph (B).

2 (e) RESTORATION OF ELIGIBILITY FOR PREVIOUSLY
3 ELIGIBLE SPOUSES.—The Secretary of the military de-
4 partment concerned shall restore annuity eligibility to any
5 eligible surviving spouse who, in consultation with the Sec-
6 retary, previously elected to transfer payment of such an-
7 nuity to a surviving child or children under the provisions
8 of section 1448(d)(2)(B) of title 10, United States Code,
9 as in effect on the day before the effective date provided
10 under subsection (f). Such eligibility shall be restored
11 whether or not payment to such child or children subse-
12 quently was terminated due to loss of dependent status
13 or death. For the purposes of this subsection, an eligible
14 spouse includes a spouse who was previously eligible for
15 payment of such annuity and is not remarried, or remar-
16 ried after having attained age 55, or whose second or sub-
17 sequent marriage has been terminated by death, divorce
18 or annulment.

19 (f) EFFECTIVE DATE.—The sections and the amend-
20 ments made by this section shall take effect on the later
21 of—

22 (1) the first day of the first month that begins
23 after the date of the enactment of this Act; or

24 (2) the first day of the fiscal year that begins
25 in the calendar year in which this Act is enacted.

1 **SEC. 205. INCREASE IN RATE OF DEPENDENCY AND INDEM-**
 2 **NITY COMPENSATION FOR SURVIVING**
 3 **SPOUSES OF MEMBERS OF THE ARMED**
 4 **FORCES WHO DIE ON ACTIVE DUTY.**

5 (a) INCREASE IN RATE.—Section 1311(a) of title 38,
 6 United States Code, is amended—

7 (1) by redesignating paragraph (3) as para-
 8 graph (4);

9 (2) by inserting after paragraph (2) the fol-
 10 lowing new paragraph (3):

11 “(4) The rate under paragraph (1) shall be increased
 12 by \$228 in the case of the death of a member of the
 13 Armed Forces on active duty.”; and

14 (3) in paragraph (4), as redesignated by para-
 15 graph (1) of this subsection, by striking “(1) and
 16 (2)” and inserting “(1), (2), and (3)”.

17 (b) EFFECTIVE DATE.—The amendments made by
 18 this section shall take effect on October 1, 2007, and shall
 19 apply with respect to dependency and indemnity com-
 20 pensation payable for months beginning on or after that
 21 date.

1 **SEC. 206. REESTABLISHMENT OF AGE 55 AS AGE OF REMAR-**
 2 **RYING FOR RETENTION OF CERTAIN VET-**
 3 **ERANS SURVIVOR BENEFITS FOR SURVIVING**
 4 **SPOUSES.**

5 (a) REESTABLISHMENT.—Section 103(d)(2)(B) of
 6 title 38, United States Code, is amended—

7 (1) in the first sentence, by striking “age 57”
 8 and inserting “age 55”; and

9 (2) by striking the second sentence.

10 (b) EFFECTIVE DATE.—The amendments made by
 11 this section shall take effect on October 1, 2007. No ben-
 12 efit is payable by reason of the amendments made by this
 13 section for any period before October 1, 2007.

14 **SEC. 207. COMMENCEMENT OF PERIOD OF PAYMENT OF**
 15 **COMPENSATION FOR TEMPORARY TOTAL**
 16 **SERVICE-CONNECTED DISABILITY ATTRIB-**
 17 **UTABLE TO HOSPITALIZATION OR TREAT-**
 18 **MENT.**

19 (a) COMMENCEMENT OF PERIOD OF PAYMENT.—
 20 Section 5111(c) of title 38, United States Code, is amend-
 21 ed by adding at the end the following new paragraph:

22 “(3) In the case of a temporary increase in compensa-
 23 tion for hospitalization or treatment for a service-con-
 24 nected disability rated as total by reason of such hos-
 25 pitalization or treatment, the period of payment shall com-
 26 mence on the date of admission for such hospitalization

1 or date of treatment, surgery, or other activity necessi-
 2 tating such treatment, as applicable.”.

3 (b) **EFFECTIVE DATE.**—The amendment made by
 4 subsection (a) shall take effect on October 1, 2007. No
 5 benefit is payable by reason of the amendment made by
 6 subsection (a) for any period before October 1, 2007.

7 **SEC. 208. COMPTROLLER GENERAL REPORT ON ADEQUACY**
 8 **OF DEPENDENCY AND INDEMNITY COM-**
 9 **PENSATION TO MAINTAIN SURVIVORS OF**
 10 **VETERANS WHO DIE FROM SERVICE-CON-**
 11 **NECTED DISABILITIES.**

12 (a) **REPORT REQUIRED.**—

13 (1) **IN GENERAL.**—Not later than 10 months
 14 after the date of the enactment of this Act, the
 15 Comptroller General of the United States shall sub-
 16 mit to the congressional veterans affairs committees
 17 a report on the adequacy of dependency and indem-
 18 nity compensation payable under chapter 13 of title
 19 38, United States Code, to surviving spouses and de-
 20 pendents of veterans who die as a result of a service-
 21 connected disability in maintaining such surviving
 22 spouses and dependents at a standard of living
 23 above the poverty level.

24 (2) **ELEMENTS.**—The report required by para-
 25 graph (1) shall include—

1 (A) a description of the current system for
2 the payment of dependency and indemnity com-
3 pensation to surviving spouses and dependents
4 described in paragraph (1), including a state-
5 ment of the rates of such compensation so pay-
6 able;

7 (B) an assessment of the adequacy of such
8 payments in maintaining such surviving spouses
9 and dependents at a standard of living above
10 the poverty level; and

11 (C) such recommendations as the Comp-
12 troller General considers appropriate in order to
13 improve or enhance the effects of such pay-
14 ments in maintaining such surviving spouses
15 and dependents at a standard of living above
16 the poverty level.

17 (b) CONGRESSIONAL VETERANS AFFAIRS COMMIT-
18 TEES DEFINED.—In this section, the term “congressional
19 veterans affairs committees” means—

20 (1) the Committee on Veterans’ Affairs and the
21 Committee on Appropriations of the Senate; and

22 (2) the Committee on Veterans’ Affairs and the
23 Committee on Appropriations of the House of Rep-
24 resentatives.

1 **TITLE III—INSURANCE MATTERS**

2 **SEC. 301. REDUCTION IN PREMIUMS UNDER SERVICE-DIS-** 3 **ABLED VETERANS INSURANCE PROGRAM.**

4 (a) IN GENERAL.—Section 1922(a) of title 38,
5 United States Code, is amended—

6 (1) by inserting “(1)” after “(a)”; and

7 (2) by striking the fourth sentence and all that
8 follows and inserting the following:

9 “(2) Insurance granted under this section shall be
10 issued upon the same terms and conditions as are con-
11 tained in the standard policies of National Service Life
12 Insurance, except that—

13 “(A) the amount of such insurance shall be
14 \$50,000, or such lesser amount, evenly divisible by
15 \$10,000, as the insured may specify;

16 “(B) the premium rates for such insurance—

17 “(i) for premiums for months beginning
18 before the effective date of this paragraph
19 under section 301(c) of date of the enactment
20 of the Comprehensive Veterans Benefits Im-
21 provements Act of 2007 shall be based on the
22 Commissioners 1941 Standard Ordinary Table
23 of Mortality and interest at the rate of 2¼ per-
24 cent per year; and

1 “(ii) for premiums for months beginning
2 on or after that effective date shall be based
3 upon the 2001 Commissioners Standard Ordinary
4 Table of Mortality and interest at the rate
5 of $4\frac{1}{2}$ percent per year;

6 “(C) all cash, loan, paid-up, and extended values—
7

8 “(i) for a policy issued under this section
9 before the effective date described in subparagraph
10 graph (B)(i) shall be based upon the Commissioners
11 1941 Standard Ordinary Table of Mortality and interest at the rate of $2\frac{1}{4}$ percent
12 per year; and
13

14 “(ii) for a policy issued under this section
15 on or after that effective date shall be based
16 upon the 2001 Commissioners Standard Ordinary
17 Table of Mortality and interest at the rate
18 of $4\frac{1}{2}$ percent per year;

19 “(D) all settlements on policies involving annuities shall be calculated on the basis of the Annuity
20 Table for 1949, and interest at the rate of $2\frac{1}{4}$ percent per year;
21
22

23 “(E) insurance granted under this section shall
24 be on a nonparticipating basis;

1 “(F) all premiums and other collections for in-
2 surance under this section shall be credited directly
3 to a revolving fund in the Treasury of the United
4 States; and

5 “(G) any payments on such insurance shall be
6 made directly from such fund.

7 “(3) Appropriations to the fund referred to in sub-
8 paragraphs (F) and (G) of paragraph (2) are hereby au-
9 thorized.

10 “(4) As to insurance issued under this section, waiver
11 of premiums pursuant to section 602(n) of the National
12 Service Life Insurance Act of 1940 and section 1912 of
13 this title shall not be denied on the ground that the serv-
14 ice-connected disability became total before the effective
15 date of such insurance.”.

16 (b) COORDINATION WITH OVERALL LIMIT.—Section
17 1903 of such title is amended by adding at the end the
18 following new sentence: “The limitations of this section
19 shall not apply to insurance granted under section 1922
20 of this title, except that other insurance to which this sec-
21 tion applies shall be taken into account in determining
22 whether the limitations of subsections (a)(2)(A) and (b)
23 of section 1922 of this title are met with respect to insur-
24 ance granted under section 1922 of this title.”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall take effect on the later of—

3 (1) October 1, 2007; or

4 (2) the first day of the first month that begins
5 more than 90 days after the date of the enactment
6 of this Act.

7 **TITLE IV—BURIAL AND** 8 **MEMORIAL MATTERS**

9 **SEC. 401. PLOT ALLOWANCES.**

10 (a) INCREASE IN PLOT ALLOWANCE.—Section 2303
11 of title 38, United States Code, is amended by striking
12 “\$300” each place it appears and inserting “\$745 (as ad-
13 justed from time to time under subsection (c))”.

14 (b) EXPANSION OF ELIGIBILITY.—Subsection (b)(2)
15 of such section is amended by striking “such veteran is
16 eligible” and all that follows through “, and”.

17 (c) ANNUAL COST-OF-LIVING ADJUSTMENT.—Such
18 section is further amended by adding at the end the fol-
19 lowing new subsection:

20 “(c) With respect to any fiscal year, the Secretary
21 shall provide a percentage increase (rounded to the near-
22 est dollar) in each maximum amount of the plot allowance
23 payable under this section equal to the percentage by
24 which—

1 “(1) the Consumer Price Index (all items,
2 United States city average) for the 12-month period
3 ending on the June 30 preceding the beginning of
4 the fiscal year for which the increase is made, ex-
5 ceeds

6 “(2) such Consumer Price Index for the 12-
7 month period preceding the 12-month period de-
8 scribed in paragraph (1).”.

9 (d) EFFECTIVE DATE.—

10 (1) IN GENERAL.—The amendments made by
11 this section shall take effect on October 1, 2007,
12 and shall apply with respect to deaths occurring on
13 or after that date.

14 (2) NO COLA ADJUSTMENT FOR FISCAL YEAR
15 2008.—The percentage increase required by sub-
16 section (c) of section 2303 of title 38, United States
17 Code (as added by subsection (c) of this section), for
18 fiscal year 2008 shall not be made.

19 **SEC. 402. FUNERAL AND BURIAL EXPENSES.**

20 (a) IN GENERAL.—Section 2302 of title 38, United
21 States Code, is amended—

22 (1) in subsection (a), by striking “\$300” in the
23 matter following paragraph (2) and inserting
24 “\$1,270 (as adjusted from time to time under sub-
25 section (c))”; and

1 (2) by adding at the end the following new sub-
2 section:

3 “(c) With respect to any fiscal year, the Secretary
4 shall provide a percentage increase (rounded to the near-
5 est dollar) in the maximum amount of benefits payable
6 under subsection (a) equal to the percentage by which—

7 “(1) the Consumer Price Index (all items,
8 United States city average) for the 12-month period
9 ending on the June 30 preceding the beginning of
10 the fiscal year for which the increase is made, ex-
11 ceeds

12 “(2) such Consumer Price Index for the 12-
13 month period preceding the 12-month period de-
14 scribed in paragraph (1).”.

15 (b) DEATHS FROM SERVICE-CONNECTED DIS-
16 ABILITY.—Section 2307 of such title is amended—

17 (1) by inserting “(a) FUNERAL AND BURIAL
18 EXPENSES.—” before “In any case”;

19 (2) in paragraph (1) of subsection (a), as des-
20 ignated by paragraph (1) of this subsection, by
21 striking “\$2,000” and inserting “\$4,100 (as ad-
22 justed from time to time under subsection (b))”; and

23 (3) by adding at the end the following new sub-
24 section:

1 “(b) COST-OF-LIVING ADJUSTMENT.—With respect
 2 to any fiscal year, the Secretary shall provide a percentage
 3 increase (rounded to the nearest dollar) in the amount of
 4 benefits payable under subsection (a)(1) equal to the per-
 5 centage by which—

6 “(1) the Consumer Price Index (all items,
 7 United States city average) for the 12-month period
 8 ending on the June 30 preceding the beginning of
 9 the fiscal year for which the increase is made, ex-
 10 ceeds

11 “(2) such Consumer Price Index for the 12-
 12 month period preceding the 12-month period de-
 13 scribed in paragraph (1).”.

14 (c) EFFECTIVE DATE.—

15 (1) IN GENERAL.—The amendments made by
 16 this section shall take effect on the date of the en-
 17 actment of this Act, and shall apply with respect to
 18 deaths occurring on or after that date.

19 (2) NO COLA ADJUSTMENT FOR FISCAL YEAR
 20 2008.—The percentage increase required by sub-
 21 section (c) of section 2302 of title 38, United States
 22 Code (as added by subsection (a) of this section),
 23 and the percentage increase required by subsection
 24 (b) of section 2307 of title 38, United States Code

1 (as added by subsection (b) of this section), for fis-
 2 cal year 2008 shall not be made.

3 **SEC. 403. AUTHORIZATION OF APPROPRIATIONS FOR**
 4 **STATE CEMETERY GRANTS PROGRAM FOR**
 5 **FISCAL YEAR 2008.**

6 There is hereby authorized to be appropriated for the
 7 Department of Veterans Affairs for fiscal year 2008,
 8 \$37,000,000 for aid to States for the establishment, ex-
 9 pansion, and improvement of veterans' cemeteries under
 10 section 2408 of title 38, United States Code.

11 **TITLE V—HOUSING MATTERS**

12 **SEC. 501. GRANTS FOR SPECIALLY ADAPTED HOUSING FOR**
 13 **VETERANS.**

14 (a) INCREASE IN GRANT AMOUNTS.—

15 (1) ACQUISITION OF HOUSING.—Subsection
 16 (d)(1) of section 2102 of title 38, United States
 17 Code, is amended by striking “\$50,000” and insert-
 18 ing “\$60,000 (as adjusted from time to time under
 19 subsection (f))”.

20 (2) ADAPTATIONS TO HOUSING.—Subsections
 21 (b)(2) and (d)(2) of such section are each amended
 22 by striking “\$10,000” and inserting “\$12,000 (as
 23 adjusted from time to time under subsection (f))”.

1 (b) ADDITIONAL GRANT FOR ACQUISITION OF SUB-
2 SEQUENT HOUSING UNIT.—Such section is further
3 amended—

4 (1) in subsection (c), by inserting “or (e)” after
5 “subsection (a)”; and

6 (2) by adding at the end the following new sub-
7 section:

8 “(e)(1) In addition to the assistance otherwise pro-
9 vided under subsection (d)(1), the assistance authorized
10 by section 2101(a) of this title shall also include assistance
11 for a veteran for the acquisition by the veteran of a hous-
12 ing unit to replace the housing unit for which assistance
13 was provided under subsection (d)(1).

14 “(2) The amount of assistance under this subsection
15 may not exceed the maximum amount of assistance avail-
16 able under subsection (d)(1).

17 “(3) Assistance shall be afforded under this sub-
18 section through a plan set forth in subsection (a), at the
19 option of the veteran concerned.”.

20 (c) ANNUAL COST-OF-LIVING ADJUSTMENT.—Such
21 section is further amended by adding at the end the fol-
22 lowing new subsection:

23 “(f)(1) Effective on October 1 of each year (begin-
24 ning in 2008), the Secretary shall increase the amounts

1 in effect under subsections (b)(2), (d)(1), and (d)(2) in
2 accordance with this subsection.

3 “(2) The increase in amounts under paragraph (1)
4 to take effect on October 1 of any year shall be the per-
5 centage by which (A) the residential home cost-of-con-
6 struction index for the preceding calendar year exceeds
7 (B) the residential home cost-of-construction index for the
8 year preceding that year.

9 “(3) The Secretary shall establish a residential home
10 cost-of-construction index for the purposes of this sub-
11 section. The index shall reflect a uniform, national average
12 increase in the cost of residential home construction, de-
13 termined on a calendar year basis. The Secretary may use
14 an index developed in the private sector that the Secretary
15 determines is appropriate for purposes of this sub-
16 section.”.

17 (d) EFFECTIVE DATE.—The amendments made by
18 this section shall take effect on October 1, 2007.

19 **SEC. 502. VETERANS’ MORTGAGE LIFE INSURANCE.**

20 (a) INCREASE IN AMOUNT OF INSURANCE.—Section
21 2106(b) of title 38, United States Code, is amended by
22 striking “\$90,000” and inserting “\$150,000”.

23 (b) EFFECTIVE DATE.—The amendment made by
24 subsection (a) shall take effect on the later of—

25 (1) October 1, 2007; or

1 (2) the first day of the first month that begins
2 more than 90 days after the date of the enactment
3 of this Act.

4 **SEC. 503. SELECTED RESERVES SERVING AT LEAST 1 YEAR**
5 **ELIGIBLE FOR HOUSING LOANS.**

6 (a) REDUCTION IN PERIOD OF SERVICE REQUIRE-
7 MENT FOR SELECTED RESERVES.—Section
8 3701(b)(5)(A) of title 38, United States Code, is amended
9 by striking “6 years” each place it appears and inserting
10 “1 year”.

11 (b) EFFECTIVE DATE.—The amendment made by
12 this section shall take effect on October 1, 2007.

13 **SEC. 504. HOUSING LOAN FEES ADJUSTED TO RATES IN EF-**
14 **FECTION BEFORE PASSAGE OF VETERANS BENE-**
15 **FITS ACT OF 2003.**

16 (a) IN GENERAL.—Paragraph (2) of section 3729(b)
17 of title 38, United States Code, is amended to read as
18 follows:

19 “(2) The loan fee table referred to in paragraph (1)
20 is as follows:

“LOAN FEE TABLE

Type of loan	Active duty veteran	Reservist	Other obligor
(A)(i) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after October 1, 2007, and before October 1, 2011)	2.00	2.75	NA
(A)(ii) Initial loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other initial loan described in section 3710(a) other than with 5-down or 10-down (closed on or after October 1, 2011)	1.25	2.00	NA
(B)(i) Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed on or after October 1, 2007 and before October 1, 2011)	3.00	3.00	NA
(B)(ii) Subsequent loan described in section 3710(a) to purchase or construct a dwelling with 0-down, or any other subsequent loan described in section 3710(a) (closed on or after October 1, 2011)	1.25	2.00	NA
(C)(i) Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed on or after October 1, 2007, and before October 1, 2011)	1.50	2.25	NA
(C)(ii) Loan described in section 3710(a) to purchase or construct a dwelling with 5-down (closed on or after October 1, 2011)	0.75	1.50	NA
(D)(i) Initial loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed on or after October 1, 2007, and before October 1, 2011)	1.25	2.00	NA
(D)(ii) Initial loan described in section 3710(a) to purchase or construct a dwelling with 10-down (closed on or after October 1, 2011)	0.50	1.25	NA

“LOAN FEE TABLE—Continued

Type of loan	Active duty veteran	Reservist	Other obligor
(E) Interest rate reduction refinancing loan	0.50	0.50	NA
(F) Direct loan under section 3711	1.00	1.00	NA
(G) Manufactured home loan under section 3712 (other than an interest rate reduction refinancing loan)	1.00	1.00	NA
(H) Loan to Native American veteran under section 3762 (other than an interest rate reduction refinancing loan)	1.25	1.25	NA
(I) Loan assumption under section 3714	0.50	0.50	0.50
(J) Loan under section 3733(a)	2.25	2.25	2.25.”.

1 (b) EFFECTIVE DATE.—The amendment made by
2 this section shall apply to loans closed after September
3 30, 2007.

4 TITLE VI—BENEFITS 5 ADMINISTRATION

6 SEC. 601. JUDICIAL REVIEW.

7 (a) REVIEW BY UNITED STATES COURT OF APPEALS
8 FOR FEDERAL CIRCUIT OF ADOPTION OR REVISION OF
9 SCHEDULE OF DISABILITY RATINGS.—Section 502 of title
10 38, United States Code, is amended—

11 (1) by inserting “(a) JUDICIAL REVIEW.—” be-
12 fore “An action”;

13 (2) in subsection (a), as designated by para-
14 graph (1) of this subsection, by striking “(other
15 than an action relating to the adoption or revision

1 of the schedule of ratings for disabilities adopted
2 under section 1155 of this title)”; and

3 (3) by adding at the end the following new sub-
4 section:

5 “(b) STANDARD OF REVIEW OF ACTIONS RELATING
6 TO SCHEDULE OF RATINGS FOR DISABILITIES.—In re-
7 viewing pursuant to this section an action of the Secretary
8 relating to the adoption or revision of the schedule of rat-
9 ings for disabilities under section 1155 of this title, the
10 Court may set aside such action only if the Court finds
11 such action to be arbitrary, capricious, or otherwise not
12 in accordance with law.”.

13 (b) REVIEW BY COURT OF APPEALS FOR VETERANS
14 CLAIMS OF ADVERSE FINDINGS OF MATERIAL FACTS.—
15 Section 7261(a)(4) of such title is amended by striking
16 “is clearly erroneous” and inserting “is not reasonably
17 supported by a preponderance of the evidence”.

18 (c) EFFECTIVE DATE.—The amendments made by
19 this section shall take effect on the date of the enactment
20 of this Act. The amendment made by subsection (b) shall
21 apply with respect to all cases pending for decision before
22 the United States Court of Appeals for Veterans Claims
23 other than a case in which a final decision has been en-
24 tered before the date of the enactment of this Act.

1 **SEC. 602. ELIMINATION OF ROUNDING DOWN OF CERTAIN**
 2 **COST-OF-LIVING ADJUSTMENTS.**

3 (a) DISABILITY COMPENSATION.—Section 1104(a) of
 4 title 38, United States Code, is amended by striking “,with
 5 all” and all that follows up to the period at the end.

6 (b) DEPENDENCY COMPENSATION.—Section 1303(a)
 7 of such title is amended by striking “,with all” and all
 8 that follows up to the period at the end.

9 **SEC. 603. CLINICAL INFORMATION DATA EXCHANGE BU-**
 10 **REAU.**

11 (a) ESTABLISHMENT OF BUREAU.—The Secretaries
 12 of Veterans Affairs and Department of Defense shall
 13 jointly establish the DoD/VA Clinical Information Data
 14 Exchange Bureau (in this section referred to as “the Bu-
 15 reau”).

16 (b) INFORMATION SYSTEM.—

17 (1) IN GENERAL.—The Bureau shall establish
 18 and maintain an information system that facilitates
 19 the clinical exchange of computable data within and
 20 between the health systems of the Department of
 21 Veterans Affairs and the Department of Defense.

22 (2) ELEMENTS.—In establishing the informa-
 23 tion system described in paragraph (1), the Bureau
 24 shall meet the following requirements:

25 (A) SOFTWARE REQUIREMENTS.—The sys-
 26 tem shall utilize computer software—

- 1 (i) the source code of which is open
2 source and available in the public domain,
3 (ii) that is nonproprietary, and
4 (iii) that ensures that the electronic
5 medical records in the health systems of
6 the Department of Veterans Affairs and
7 the Department of Defense are able to un-
8 derstand all major clinical vocabularies.

9 (B) PATIENT PRIVACY.—The system shall
10 comply with all appropriate rules, regulations,
11 and procedures to safeguard patient privacy
12 and to ensure data security.

13 (C) MAPPING OF HEALTH INFORMA-
14 TION.—The Bureau shall ensure that personal
15 health information available in electronic form
16 outside of the system will be able to be elec-
17 tronically mapped into the system.

18 (D) MAINTENANCE.—The Bureau shall
19 permanently maintain the system, including en-
20 suring that any changes in any major clinical
21 vocabulary are reflected in a timely manner in
22 the electronic medical records in the health sys-
23 tems of the Department of Veterans Affairs
24 and the Department of Defense.

25 (c) COST OF SYSTEM.—

1 (1) IN GENERAL.—The cost of the information
 2 system established under this section, and the an-
 3 nual costs of maintaining the system, shall be borne
 4 equally by the Department of Veterans Affairs and
 5 the Department of Defense.

6 (2) FEES.—The Secretaries of Veterans Affairs
 7 and Defense may charge vendor user fees in order
 8 to facilitate the use of discrete clinical vocabularies
 9 within the system.

10 **SEC. 604. STUDY AND REPORT ON REFORMS TO STRENGTH-**
 11 **EN AND ACCELERATE THE EVALUATION AND**
 12 **PROCESSING OF DISABILITY CLAIMS BY THE**
 13 **DEPARTMENTS OF VETERANS AFFAIRS AND**
 14 **DEFENSE.**

15 (a) STUDY.—The Secretary of Veterans Affairs and
 16 the Secretary of Defense shall jointly conduct a study of
 17 the disability ratings systems of the Departments of Vet-
 18 erans Affairs and Defense, including an analysis of—

19 (1) the interoperability of both systems, and

20 (2) the feasibility and advisability of auto-
 21 mating the Veterans Administration Schedule for
 22 Rating Disabilities (VASRD) to improve the time
 23 for processing, and the accuracy of, disability rat-
 24 ings.

25 (b) REPORT.—

1 (1) IN GENERAL.—Not later than 60 days after
2 the date of the enactment of this Act, the Secre-
3 taries shall submit to the relevant committees of
4 Congress a joint report on the study conducted
5 under subsection (a).

6 (2) ELEMENTS.—Such report shall include spe-
7 cific legislative proposals, including the amount of
8 funding, which the Secretaries find necessary to—

9 (A) ensure that the disability ratings sys-
10 tems of both the Department of Veterans Af-
11 fairs and the Department of Defense are inter-
12 operable and that information contained in both
13 systems can readily be transmitted to and from
14 each of the departments, and

15 (B) automate the Veterans Administration
16 Schedule for Rating Disabilities (VASRD), in-
17 cluding—

18 (i) an analysis of the necessary com-
19 puter software and other technology, and

20 (ii) a schedule for the completion of
21 the automation.

22 (c) RELEVANT COMMITTEES OF CONGRESS.—In this
23 section, the term “relevant committees of Congress”
24 means—

1 (1) the Committee on Veterans' Affairs and the
 2 Committee on Armed Services of the Senate, and

3 (2) the Committee on Veterans' Affairs and the
 4 Committee on Armed Services of the House of Rep-
 5 resentatives.

6 **TITLE VII—OTHER BENEFITS** 7 **MATTERS**

8 **SEC. 701. AUTOMOBILE ASSISTANCE ALLOWANCE.**

9 (a) INCREASE IN AMOUNT OF ALLOWANCE.—Sub-
 10 section (a) of section 3902 of title 38, United States Code,
 11 is amended by striking “\$11,000” and inserting “\$22,484
 12 (as adjusted from time to time under subsection (e))”.

13 (b) ANNUAL ADJUSTMENT.—Such section is further
 14 amended by adding at the end the following new sub-
 15 section:

16 “(e)(1) Effective on October 1 of each year (begin-
 17 ning in 2008), the Secretary shall increase the dollar
 18 amount in effect under subsection (a) to an amount equal
 19 to 80 percent of the average retail cost of new automobiles
 20 for the preceding calendar year.

21 “(2) The Secretary shall establish the method for de-
 22 termining the average retail cost of new automobiles for
 23 purposes of this subsection. The Secretary may use data
 24 developed in the private sector if the Secretary determines
 25 the data is appropriate for purposes of this subsection.”.

1 (c) EFFECTIVE DATE.—The amendments made by
2 this section shall take effect on October 1, 2007.

3 **SEC. 702. REFUND OF INDIVIDUAL CONTRIBUTIONS FOR**
4 **EDUCATIONAL ASSISTANCE MADE BY INDIVIDUALS PREVENTED FROM PURSUING EDUCATIONAL PROGRAMS DUE TO NATURE OF DISCHARGE.**

8 (a) IN GENERAL.—Section 3034 of title 38, United
9 States Code, is amended by adding at the end the following new subsection:

11 “(e)(1) In the case of any eligible individual who has
12 been prevented from pursuing a program of education
13 under this chapter because the individual has not met the
14 nature of discharge requirement of this chapter, the Secretary of Defense shall, upon application of the individual,
15 refund to the individual the amount determined under
16 paragraph (3) if the Secretary of Defense determines that
17 the nature of the discharge was due to minor infractions
18 or deficiencies.

20 “(2) Paragraph (1) shall not apply to an individual
21 if the discharge was a dishonorable discharge.

22 “(3) The amount determined under this paragraph
23 with respect to any individual is the excess (if any) of—

1 “(A) the sum of the amounts described in sec-
 2 tion 3017(b)(1) of this title with respect to the indi-
 3 vidual, over

4 “(B) the sum of the amounts described in sec-
 5 tion 3017(b)(2) of this title with respect to the indi-
 6 vidual.

7 “(4) The Secretary of Defense shall make the pay-
 8 ments under this subsection from the funds into which the
 9 amounts described in section 3017(b)(1) of this title were
 10 deposited.”.

11 (b) EFFECTIVE DATE.—The amendments made by
 12 this section shall apply to discharges after September 30,
 13 2007.

14 **SEC. 703. COMPTROLLER GENERAL REPORT ON PROVISION**
 15 **OF ASSISTED LIVING BENEFITS FOR VET-**
 16 **ERANS.**

17 (a) REPORT REQUIRED.—

18 (1) IN GENERAL.—Not later than 1 year after
 19 the date of the enactment of this Act, the Comp-
 20 troller General of the United States shall submit to
 21 the congressional veterans affairs committees a re-
 22 port on the feasibility and advisability of the provi-
 23 sion through the Department of Veterans Affairs of
 24 assisted living benefits for veterans who otherwise
 25 qualify for nursing home care through the Depart-

1 ment in lieu of the provision through the Depart-
2 ment of nursing home care for such veterans.

3 (2) ELEMENTS.—The report required by para-
4 graph (1) shall include—

5 (A) a description of various current pro-
6 posals for the provision through the Depart-
7 ment of assisted living benefits for veterans as
8 described in paragraph (1);

9 (B) an estimate of the costs of the various
10 proposals described under subparagraph (A),
11 and an estimate of any cost savings anticipated
12 to be achieved through the carrying out of such
13 proposals;

14 (C) an assessment of feasibility and advis-
15 ability of the provision through the Department
16 of assisted living benefits for veterans as de-
17 scribed in paragraph (1), including an identi-
18 fication of the proposal, if any, described in
19 that paragraph, that would result in the most
20 cost-effective provision through the Department
21 of assisted living benefits for veterans; and

22 (D) such recommendations as the Comp-
23 troller General considers appropriate regarding
24 the provision through the Department of as-
25 sisted living benefits for veterans.

1 (b) CONGRESSIONAL VETERANS AFFAIRS COMMIT-
2 TEES DEFINED.—In this section, the term “congressional
3 veterans affairs committees” means—

4 (1) the Committee on Veterans’ Affairs and the
5 Committee on Appropriations of the Senate; and

6 (2) the Committee on Veterans’ Affairs and the
7 Committee on Appropriations of the House of Rep-
8 resentatives.

○